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# Second extension of the first country cooperation framework for Ukraine

**Note by the Administrator**

**Period of extension**
**1 January 2001 to 31 December 2001**

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# I. Background and justification

1. In a decade of dynamic transition, independent Ukraine has made tremendous strides towards providing expanded choices and opening up to the outside world. Progress in the socio-economic domain, however, has been slower, with poverty growing to an estimated level of 28 per cent of the population. UNDP has been a trusted partner of the Government since beginning its operations in Ukraine in 1992. A country strategy note (1995-1997) and the country cooperation framework (CCF) for the period 1997 to 1999 describe the areas of activity covered in these past years. The CCF was extended by one year to 31 December 2000.

2. To allow time for the completion of both the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF) during the year 2001, the Government hopes to obtain a further one-year extension before submitting the next CCF. This will also make it possible to harmonize the UNDP programming period with that of the United Nations Children's Fund (UNICEF) and the other primary United Nations Development Group (UNDG) partner. The early draft of this CCF, prepared in late 2000 with the Government and other partners, will serve as the de facto blueprint for activities during 2001. It will be revised after CCA and UNDAF finalization and presented for Executive Board approval in early 2002.

# II. Objectives

3. The first CCF addressed the difficulties that Ukraine encountered in the recent period, marked by three major transitions: (a) the establishment of a law-governed state; (b) the development of civil society; and (c) economic change based on market principles. The CCF outlined a wide range of programme interventions aimed at mitigating the negative impact of the transition and at strengthening of the capacity of the Government and civil society. These priorities are reflected in three areas of concentration:

(a) Good governance. Provide an enabling environment for sustainable human development, including support to policy formulation, democratization, human rights, gender and public administration.

(b) Income generation, employment and social protection. Social integration and regional development, business promotion and health services.

(c) Environmental conservation and management. Advocacy, planning and coordination, environmental management.

4. A detailed review of the CCF was carried out in the spring of 2000. It noted that, despite limited financial resources, UNDP has been an important and appreciated development partner. Well regarded and having gained the confidence of the Government, civil society and donors, UNDP has been successful in building national capacity and in responding to both the immediate and long-term needs of the Government and society during the difficult transition period. Within the primary focus areas, the following results have thus far been achieved.

## A. Good governance

5. UNDP activities in Ukraine have focused on institutional strengthening and capacity-building for sound decision-making. Policy advice has been provided on socio-economic and public administration reforms and has had a significant impact on encouraging a more inclusive decision-making approach by the Government. The democratization of society has been enhanced through: (a) building the capacities of civil society organizations (CSOs); (b) better access to information and communication technology; and (c) greater focus on human rights and gender awareness.

6. Through several major achievements, the Government, civil society and, in certain cases, private sector representatives and Parliament have begun to interact, fostering a climate of consensus for the necessary reforms and policy decisions. The complex mosaic of policies needed for the long-term well-being of the country requires wide public support and political will based on consensus at presidential, governmental and parliamentary levels.

7. The April 2000 Reforms for Prosperity programme of the Cabinet of Ministers was a central policy statement. It designated human development, poverty reduction, prosperity, economic competitiveness and European Union integration as the top strategic priorities. This policy document was based on the human development perspective, which has been disseminated by the UNDP through the annual *Human Development Report*. The concept of sustainable human development (SHD) was, for the first time, reflected in the official strategic document.

8. UNDP was also successful in introducing the SHD concept and approach, with a clear focus on poverty eradication, into specific policy recommendations through the Office of the Prime Minister in the following areas: public administration reform for central government and decentralization, regulatory reform, business development, economic and financial sector reform, and legal support to economic and administrative reforms. UNDP fostered a substantive dialogue on poverty issues, resulting in a proposed poverty strategy, which may form the basis for specific interventions in the future. Arrangements were made to ensure discussion of policy options and to provide policy advice for agricultural and educational reforms.

9. CSO networks and coalitions formed an important cornerstone of efforts to influence public policy-making. Concerned groups included social service providers for the poor and vulnerable, promoters of democracy, human rights and the rule of law, HIV/AIDS organizations. UNDP also helped CSOs to develop practical advocacy and policy formulation skills, providing them with a neutral space to engage in policy dialogue and public consensus building.

10. UNDP has likewise promoted capacity and consensus building for accelerated reforms in Ukraine. The aim has been to remove the critical constraints to reversing the decade-long economic decline and resulting poverty. The foundations of a policy research network at the Ministry of Economy have been laid to address the major areas of intervention including social issues. Public hearings, publications, television and radio programmes, a "road show", and open Internet exchanges between the public and the Government on reform issues have helped to foster consensus building, taking the message directly to the people of Ukraine.

(b) *Policy implementation.* The focus will be on capacity-building, including encouraging the active engagement of civil society in demanding quality public services.

(c) *Partners.* The primary partners for UNDP will be the Government, at the national and local levels, civil society and the private sector. Other essential partners include United Nations organizations, the Bretton Woods institutions, bilateral donors and international non-governmental organizations. While focusing its own efforts on areas of intervention with high potential for impact, UNDP will play a critical role in donor coordination. The Resident Coordinator will continue to foster cohesive United Nations support to Ukraine.

(d) *Participation.* The principle of the new constitution of Ukraine — that citizens are free to determine the direction of their own lives — will serve as the cornerstone of UNDP activities. Outreach to civil society will focus on building consensus around important policies.

(e) *Performance.* Success will be measured by the concrete impact on the quality of life of Ukrainians, not by the delivery of inputs and the completion of tasks.

## III. Recommendation

21. The Administrator recommends that the Executive Board approve the second extension of the first country cooperation framework for Ukraine for a period of one year from 1 January 2001 to 31 December 2001.

# Annex

## Resource mobilization target table for Ukraine

| *Source* | *Amount (In thousands of United States dollars)* | *Comments* |
|---|---|---|
| **UNDP regular resources** | | |
| IPF carry-over | (178) | |
| TRAC 1.1.1 | 1 260 | Assigned immediately to country. |
| TRAC 1.1.2 | 0 to 66.7 per cent of TRAC 1.1.1 | This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources. |
| Other resources | 1 748 | In line with decision 95/23, paragraph 19 |
| TRAC 1.1.3 | 217 | |
| SPPD/STS | 599 | |
| **Subtotal** | **3 646**[a] | |
| **UNDP other resources** | | |
| Government cost-sharing | 3 000 | |
| Third-party cost-sharing | 3 000 | |
| Funds, trust funds and other | 1 850 | |
| | of which: | |
| Poverty strategy initiative | 150 | |
| UNCDF | 500 | |
| GEF | 1 000 | |
| Capacity 21 | 200 | |
| **Subtotal** | **7 850** | |
| **Grand total** | **11 496**[a] | |

[a] Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNCDF = United Nations Capital Development Fund.